



NEWS RELEASE

United States Department of Agriculture • Rural Development

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USDA RURAL DEVELOPMENT TO HOLD OUTREACH IN MATAGORDA COUNTY

BAY CITY, Texas, July 9, 2004 -- A representative from USDA Rural Development will be accepting applications for home repair and new home loans on Tuesday, August 10, 2004 from 10:00 A.M. to 12:00 P.M. at the USDA Service Center, located at 2200 Ave. A, Bay City, Texas, Phone: 979-245-1201 extension 2. A representative will be available to discuss programs and provide guidance in applying for USDA Rural Development assistance.

There are several programs available to provide assistance to very-low, low and moderate-income applicants. Loans are available depending on repayment ability, acceptable credit and the location of the home or building site.

The direct home ownership loan is designed to provide very-low and low-income applicants with financing to build, purchase, or repair homes to provide adequate affordable housing. Funds may also be used to modernize or repair a home already owned by an applicant. For moderate-income applicants, there is the Guaranteed Rural Housing Program. Moderate income limits vary by the number of persons in a household, but for a family of four the limit is \$66,150.

Two significant advantages of the direct home ownership loan program are that no down payment is required, and there is no requirement for mortgage insurance. Loans may be made for up to 100% of the appraised market value, which may allow the closing costs to be included. The loan term is typically 33 years. The interest rate is fixed and is currently 6.375%. Payment assistance is available, based on family size and income, which may reduce the monthly interest payment to as low as one percent (1%).

There are also home repair loans and grants for very-low income homeowners. Grant funds are available to homeowners age 62 and over who cannot repay a loan. Grant funds are used to remove health and safety hazards such as repairing roofs, heating, electrical, plumbing, water and waste disposal, handicapped accessibility, etc. The home repair loan amount cannot exceed \$20,000, and grant assistance may not exceed \$7500. Loans under this program are made with a 1% interest rate and have a maximum term of 20 years.

Home improvement loans may include similar purposes, but may also be used to modernize and bring a home up to standards, make changes for convenience, add a room, remodel and make overall improvements to the home.

All applicants must meet basic eligibility requirements such as being unable to obtain a loan from other conventional lending sources on terms they can afford; being without ownership of decent, safe and sanitary housing; have sufficient and dependable income for loan repayment, taxes, insurance, living expenses and other existing debts; possess the legal capacity to incur debt; and have an acceptable credit history. USDA Rural Development loans and grants are limited to rural towns or rural areas.

For more information regarding this and other USDA Rural Development programs and eligibility requirements, contact the Edna Local Office at 361-782-7151, Ext. 4.

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USDA Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to: Office of Civil Rights, Washington, D.C. 20250-9410

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

For more information on USDA Rural Development programs in Texas, check our web site at <http://www.rurdev.usda.gov/tx/>.